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Published and Edited by: Bob Chapman

E-Mail Address:

International_forecaster@yahoo.com

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Follow the Money with Pat Kiley - Monday & Wednesday - 7:00 to 8:00 p.m. CST on 7.465 short-wave

Discount Gold & Silver Trading Co.- Melody Cedarstrom – Mon., Wed., & Fri.

John Stadtmiller – Republic Broadcasting Network - Every Tues. at 5:00-7:00 pm EST

GoldSeekRadio – Every Wednesday

Pastor Butch Paugh – Genesis Communication Network – Last: Mon. October 22th - 9 p.m. EST

Pat Gorman – Sunday, November 11th

Eli James – Last: November 4th

Dr. Stan Monteith - Monday's 11/12; 11/19; 11/26

Erskine Overnight – Genesis Communication Network - Saturday, December 1st

The Meria Heller Show – Tuesday, November 20th and Tuesday, December 18th

Drew Raines – Every Friday

Rick Adams – Every third Wednesday, November 21st

From the Grassy Knoll Streams - Every Second Friday – November 10th

Richard Syrett – Every third Tuesday, November 20th, 11 p.m. EST

Bill Boshears – Every Tuesday at 8 p.m. ETS - www.realtalknet.com

Rudy Alfonso – Last: October 28th
Charles Goyette – KLFNX-Phoenix – Friday, December 7th

11-16-07

We recommend the following **SHORT POSITIONS**:
The first number is the price when we recommended it, the second is the current price and the third is the price to cover.
Amazon (AMZN) $39.68, $78.60, $3.00;
Cisco (CSCO-OTC) $18.24, $29.94, $11.04;
Citigroup (C) $44.10, $34.00, $29.00;
Countrywide Financial (CFC-NYSE) $15.52, $12.07, open;
Dell Computer (DELL-OTC) $35.29, $26.91, $16.01;
Ethan Allen (ETH-NYSE) $34.51, $28.90, $20.00;
Fannie Mae (FNM) $66.68, $40.69, Open
Goldman Sachs (GS-NYSE) $227.00, $225.25 open;
GE $33.49, $38.65, cover at $12.00;
International Paper (IP-NYSE) $39.46, $34.11, $26.31;
J.P. Morgan Chase (JPM) $39.36, $43.09. $23.00 & $12.00;
Lehman ABS 8.75 G-P (CKI-NYSE) formerly Georgia Pacific $35.28, $25.24, $15.00;
Monsanto (MON-NYSE) $35.66, $94.28, $16.00;
Time Warner (TWX-NYSE) $16.13, $17.30, $12.00;
Temple-Inland (TIN-NYSE) $66.62, $45.12, $42.17; stopped out–reset stop at $45.00;
Washington Mutual WM-NYSE) $27.88, $19.94. Open;
Weyerhaeuser (WY-NYSE) $65.05, $71.78, $36.06.
Harley Davidson (HOG-NYSE) $59.11, $47.88, $30.00.

We recommend putting on **PUTS or SHORTING** these stocks. They are:
D. R. Horton (DHI-NYSE) short at $33.16, $12.16, cover at $13.64, or Open;
GM (GM-NYSE) short at $41.31, $29.27, $30.80, Open;
Blackstone (BX-NYSE) short at $38.00, $23.07, possible cover at $20.00, or lower.
Home Depot (HD-NYSE) short at $38.94, $29.07, cover at $16.00;
IBM (NYSE) short at $84.50, $104.79, cover at $70.00;
JC Penny (JCP-NYSE) short at $36.00, $43.19, and cover at $14.07;
Lennar (LEN-NYSE) short at $47.80, $19.24, cover at $24.88, or Open
Proctor & Gamble (PG-NYSE) short at $54.24, $73.19, $40.00;
Pulte Homes (PHM-NYSE) short at $61.52, $12.84, cover at $25.19, or Open;
Ryland Group (RYL-NYSE) $91.90, $25.97, $36.00, or Open;
Standard Pacific (SPF-NYSE) short at $55.78, $3.15, cover at $13.31, or Open;
Target (TGT-NYSE) short at $45.82, $53.88, and cover at $24.90;
Toll Brothers (TOL-NYSE) $46.35, $21.23, $16.50, or Open;
Tyco (TYC-NYSE) short at $30.04, $38.73, cover at $9.00;
United Health Care Group (UNH-NYSE) short at $73.50, $53.42, $40.00,
Waste Management (WMI-NYSE) short at $28.70, $34.35, and cover at $17.00;
Wells Fargo (WFC-NYSE) short at $59.65, $31.14, cover open.

LONGS POSITIONS:
Agnico Eagle (AEM-NYSE) $14.05, $50.90, Open;
Alma Resources (ALV.V) C$1.30, C$0.27, Open;
American States Water (AWR-NYSE) $25.18, $41.83, $35.93; go long again at $30.00;
Anadarko (APC-NYSE) $66.81, $57.03, Open;
Apache (APA-NYSE) $50.43, $99.40, Open;
Connecticut Water (CTWS) $26.32, $24.38, $32.21;
Capella Res. (CPS.V) C$0.69 C$0.38 Open;
Crystallex (KRY-ASE) $3.16, $2.85, Open;
EnCana (ECA-NYSE) $23.22, $68.04, Open;
Middlesex Water (MSEX) $17.90, $18.96, $25.00;
Rainy River (RR.V) C$0.85, C$4.58, Open,
Silver Standard (SSRI-OTC) $2.50, $40.47, Open,

Southwest Water (SWWC) $12.20, $11.96, $19.10.
Hellix Ventures (HEL.V) $C0.50 $C0.64, Open

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US MARKETS

Judge Christopher A. Boyko of the Eastern Ohio United States District Court, on October 31, 2007 dismissed 14 Deutsche Bank-filed foreclosures in a ruling based on lack of standing for not owning/holding the mortgage loan at the time the lawsuits were filed.

Judge Boyko issued an order requiring the Plaintiffs in a number of pending foreclosure cases to file a copy of the executed Assignment demonstrating Plaintiff (Deutsche Bank) was the holder and owner of the Note and Mortgage as of the date the Complaint was filed, or the court would enter a dismissal...

While the decision is great for homeowners in distress (due to providing a new escape hatch out of foreclosure), it is a big blow to the cause of sorting out the high-finance side of the mortgage mess.

Jacksonville Area Legal Aid Attorney, April Charney, broke this news to us via email and made these comments in regards to the Ohio Federal Court ruling (emphasis ours): This court order is what I have been saying in my cases. This is rampant fraud on every court in America or non-judicial **foreclosure fraud where the securitized trusts are filing foreclosures when they never own/hold the mortgage loan at the commencement of the foreclosure.**

That means that the loans are clearly **in default at the time of any eventual transfer of the ownership of the mortgage loans to the trusts**. This means that the loans are being held by the originating lenders after the alleged "sale" to the trust **despite what it says per the pooling and servicing agreements and despite what the securities laws require.**

This also means that many securitized trusts don't really, legally own these bad loans. In my cases, many of the trusts try to argue equitable assignment that predates the filing of the foreclosure, but **a securitized trust cannot take an equitable assignment of a mortgage loan. It also means that the securitized trusts own nothing**.”... Investors in these securities might have assumed---wrongly, it turns out---that they actually owned some "real estate" in these deals. To paraphrase Jim Cramer, "They own nothing!"

This ruling is monumental. The holders of all those slice and dice derivatives could have zero legal redress or collateral in foreclosures. This reduces their values substantially. And how about all the distressed debt jockeys that think or used to believe that their crappy securitized paper has the same legal rights as the actual owners of the underlying securities?

Did your ‘model’ account for this when valuating blind pools of assets?

The remediation of the financial mess will be longer, far more complicated and more onerous that any other financial problem since at least WWII.

PS – The day after the above court decision, the DJIA tanked 330 points. How much impact the decision had can only be guessed. But once again, the US financial media and Street pundits are asleep or remiss.

Reuters: **Mortgage scams involve a cartel of inside players -- colluding property appraisers, real-estate brokers and accountants willing to draw up fake income statements and tax returns -- who recruit people with good credit histories to serve as a decoy or "straw buyer" in a real-estate deal.**

The conspirators inflate the price of the property, to get the biggest loan

possible, pay the sellers the original price and then pocket the excess loan money as "cash back" at the closing of the deal.

The decoy buyer is paid off -- often with just $5,000 -- and the property is quickly abandoned to foreclosure, said Theobald, a senior official with the Miami-Dade Police Department.

"It's an epidemic," said Nancy Hogan, a veteran realtor and former head of the Florida Real Estate Commission. "The cash back, the fraud for profit, is what has been so rampant," she said.

Alien and drug smugglers along the U.S.-Mexico border have spawned a rise in violence against federal, state and local law-enforcement authorities, who say they are outmanned and outgunned.

"They've got weapons, high-tech radios, computers, cell phones, Global Positioning Systems, spotters and can react faster than we are able to," said Shawn P. Moran, a 10-year U.S. Border Patrol veteran who serves as vice president of the National Border Patrol Council Local 1613 in San Diego.

"And they have no hesitancy to attack the agents on the line, with anything from assault rifles and improvised Molotov cocktails to rocks, concrete slabs and bottles," he said. "There are so many agent 'rockings' that few are even reported anymore. If we wrote them all up, that's all we would be doing."

Assaults against Border Patrol agents have more than doubled over the past two years, many by Mexico-based alien and drug gangs more inclined than ever to use violence as a means of ensuring success in the smuggling of people and contraband.

Homeland Security Secretary Michael Chertoff acknowledges that although the department has begun to make progress against "the criminals and thugs" operating along the U.S.-Mexico border, "we are beginning to see more violence in some border communities and against our Border Patrol agents as these traffickers ... seek to protect their turf.

"We must provide the manpower and resources they need to carry out their duties, and we are working hard to make sure they get them," Mr. Chertoff said during a speech in Houston this month.

U.S. Immigration and Customs Enforcement (ICE), the investigative arm of Homeland Security, stated in a report earlier this year that border gangs were becoming increasingly ruthless — targeting rivals, along with federal, state and local police. ICE described violence on the border as rising dramatically over the past three years in what it called "an unprecedented surge."

But many agents think they are viewed as "expendable" by the managers within Homeland Security and the Border Patrol. They say that while the number of agents overall has increased dramatically over the past year, the actual number of line agents has not seen a corresponding jump.

The theory of spreading the losses may have seemed like a good idea, but what has happened in the MBS, CDO, ABS & SIV distributions is that dispersement has brought distrust and a loss of confidence at the highest levels of the financial world. Instead of seeing a handful of institutions go under, we have thousands of institutions having to declare losses. It has been over 3 months since central banks were forced to inject liquidity into the banking system. Some $800 billion to $1 trillion and the problem is nowhere near being solved. Daily we see admission of massive losses and there is no end in sight just as we predicted so long ago.

Again the fiasco was created by the Fed and natured by the rating services and the lenders. We have written for years of the terrible conflict of interests of these three groups, but as usual few wanted to listen. How can a rating system be objective when its members are paid by the people they rate? After all the forensics

are done, years from now, what you have just witnessed in the mortgage market will be called the biggest scam of all-time created by the Fed to keep the economy from collapsing and to buy time until the elitists were ready to finally pull the plug. The rating agencies magically made BBB securities into AAA securities by mixing both together. They structured the product at the behest of banks and the Fed, just like the pressure that was put on mortgage originators to write loans that should have never been written. There is absolutely no question that a conspiracy existed between the Fed, the banks and the rating agencies that worked with the banks creating this toxic garbage to be dumped on professional inventors worldwide.

What we have now is professionals that are trying to dump these toxic securities into a market that is almost non-existent. That means in order to balance their books these investors have to sell other assets to offset these paper losses. This is called contagion and the spreading of misfortune into other markets. Positions in other investment areas are being sold to realize cash. This has led to unsettled lower markets in stocks and other investments. Hedge funds are in serious trouble as well with these CDOs, ABSs, MBSs and SIVs and if they are in trouble so are the banks that lend to them. Usually loses can be easily absorbed by all parties, but not when you are using leverage and that is what all these parties have been doing. The full damage done would be finally known for another year or two. If you mix in an overpriced stock market, a real estate collapse and major losses you come up with a deep recession accompanied by inflation. The only alternative is gold and silver related assets.

The MBA mortgage purchase application index was up 4.8% in the 9/11 week. This compares to zero in the prior week. The refi index was +6.4% versus -3.2% in the prior week. The 30-year fixed rate mortgage rose to 6.19% from 6.16%.

The PPI produced more bogus numbers, up 0.1%. Ex-food and energy it was even. The September figure was unrevised.

October retail sales reported plus 02%.

September business inventories reported 0.4%, up from a plus 0.3% in August.

CNBC says FAS 157 & 159 has been delayed for a year. What else is new?

John Thain will take over as CEO of Merrill Lynch. Thain previously was COO and President of Goldman Sachs. Goldman controls not only the financial reins of Wall Street, but also our government.

Further to the PPI report, prices fell 13.8% in August, were up 8.4% in September and down 3.1% in October, or down 9.5% over the 3-month period.

Retail sales showed gas station sales off 2.9% in August, up 1.8% in October and down 9.5% over the 3-month period, or down 4% over 3 months. Thus far retail sales at gasoline stations are only down .4% with the price falling 9.5% then unit sales would have to be up 9.1%. Lies, lies and more lies.

The losses continue to mount: Barclays with $2.7 billion, Bank of America $3 billion and even J.P. Morgan, which admitted that their corporate and investment banking looses will increase in 2008, and credit card write offs could hit 5%. Morgan said they think they are fine and that SIVs do not have a business purpose and will go the way of the dinosaur.

As we have contended for a long time the banks and rating agencies should be forced to pay off the owners of securities that they defrauded. They and the Fed created this credit bubble and they are in charge of the financial system. Who is watching what they are doing? It obviously is not our government. Nobody is watching.

Here are some jarring statistics. Between 1995 and 2007, there were almost 2,200 suicides. That is 188 last year alone of active duty soldiers. In 2005, in 45 states, there were 6,256 suicides among those who served in the armed forces. That is 120 each and every week in just one year. Veterans were more than twice as likely to commit suicide in 2005 than non-vets. Vets 20 through 24 who had served in the war had the highest suicide rate among veterans, estimated between 2 and 4 times higher then civilians the same age. There is no question many mentally ill young veterans are not being treated and they are losing their lives. Veteran suicide in America is an epidemic.

Foreclosures in the Salem, OR area and throughout the state rose 53% in July, August and September.

Officially the CPI rose 0.3% in October, the fastest increase in prices since May.

The Florida agency that manages about $50 billion of short-term investments for the state, school districts and local governments holds $2.2 billion of debt that was cut to below investment grade. The downgrades affect more than 4% of what the Florida State Board of Administration has purchased for the funds. Some $3.6 billion, or 7.3%, of the securities may be downgraded. There will be many more communities and states taking major losses.

King County, which includes Seattle, WA had ratings lowered on $1.5 billion in bonds.

Retail sales rose at a slower pace in October as rising fuel prices and falling property values left shoppers with little extra cash to spend. September saw a 0.7% gain.

Officially PPI Producer Prices rose 0.1%, following a 1.1% gain in September.

Pending previously owned home sales rose 0.2% in September but were still more than 20% lower than a year earlier.

In the third quarter seven cities in California and five in Florida and Ohio were among 25 metro areas with the highest foreclosure rates.

Stockton and Riverside, San Bernardino County led the pack in California. Fort Lauderdale, Fl, Livonia and Dearborn in Michigan and Las Vegas-Paradise, plus Sacramento, Bakersfield and Oakland were up there as well.

The New England region economy is deteriorating and it's expected to grow at an annual rate of 2.2% through 2011. Massachusetts is expected to lag the 6-state area. New Hampshire is expected to grow 3% over the next five years, along with Connecticut and Vermont at 2.3%, Maine 1.9% and Rhode Island 1.6%.

Lenders have scheduled 5,244 metro Atlanta properties for public foreclosure sales next month. That is a 23% fall from 6,809 in November. The schedule for the year thus far is 53,365 versus 44,971 for all of 2006.

On Thursday the Fed executed $47.5 billion in repurchase agreements in an effort to revive a falling stock market.

The two-star General George Weightman, who was fired as the head of Walter Reed Army Medical Center amid reports of shoddy treatment of wounded soldiers, "has regained favor" and will oversea biological weapons development as commander of Ft. Detrich. It has only been 9 months since senior Army officials "had lost trust and confidence" in his leadership abilities. It could be he was very connected.

General Electric has a $5 billion cash management fund that no longer sells at $1.00 but $0.96. GE refused to bail out shareholders of this fund. The fund is not a

money market fund, which is subject to much more stringent regulations than a cash management fund.

The UAE central bank governor says a political decision to drop the currency peg does not have to wait for a Gulf Arab summit. Dirkam forwards show the market has projected composition of a currency basket already. He said social and economic pressure to drop the dollar peg is strong. Finally someone out there sees the moral and economic hazard of holding dollars. The Arabs know the dollar is doomed and they do not like the US government trashing gold every chance it gets.

Earnings are beginning to fall big at many companies and that is why we projected a minus 10% for next year. Applied Materials saw 4th quarter earnings decline 6.1% and 18% yoy, as new orders declined from computer-memory chipmakers. Revenue will decline 30% in 2008. That is nasty and that is what we have been telling you about.

J.C. Penny and Williams-Sonoma said revenue, and earnings would be down this quarter. People are running out of money.

Commercial paper outstanding fell $3.6 billion for the week ended 11/14, after having fallen $15.8 billion the prior week. Asset backed CP fell $0.6 billion versus a $29.5 billion fall the prior week. CP was $1.862 trillion versus $1.866 a trillion, ABCP outstanding was $853.3 billion versus $853.9 billion.

Most economists believe the credit crisis is only 50% over, while 25% believe it is still in its early stages, and 15% believe it is almost over. Twenty-eight percent said the credit crunch is the biggest downside risk; 30% cited housing and 16% oil. Eighty percent said the housing crisis would spill into consumer spending. You haven't even seen the beginning of writedowns yet.

Two Americans who deserted the Army to protect against the war in Iraq lost their bid for refugee status in Canada. The Canadian Supreme refused to hear their appeal. They will now be turned over the America's Gestapo and will spend 5 years in prison. There will be a decision in Canada that they would be victims of torture, death or cruel and unusual punishment. The Bush administration has been guilty of such things in the past, so they may be able to stay in Canada due to these probable circumstances. They could also apply for permanent residence in Canada on humanitarian or compassionate grounds.

It looks like Pakistani President Pervez Musharraf is being abandoned by his Illuminist handlers. The successor will be Benazir Bhutto or General Kiani. Musharraf will have to live out his days in wealth and luxury in Geneva and London. It is just another game of musical chairs; Bhutto is CIA and M16 controlled.

Laurence Fink, who helped create the market for mortgage-backed securities said the credit losses that had cost banks and security firms $45 billion were about to get worse. Fink is CEO of Blackrock and says that many institutions do not understand what the credit crunch is going to do to their earnings and their balance sheets.

Bear Stearns took a $1.2 billion charge due to writedowns from subprime holdings and charges from $3 to $5 billion lie ahead.

The latest CBS poll has Ron Paul at 8% among registered Republicans who are likely to vote in the primaries. Given that a large number of Ron Paul supporters are always excluded from the poling data, it is possible that Ron Paul could win New Hampshire when their primary is held. Zogby says Ron Paul could take up to 18% of the vote or he could win it. If he wins New Hampshire he might storm the rest of the country.

US overall consumer confidence fell last week says the ABC/UP poll. The consumer comfort index fell 2 points to -17 from -15 a week earlier.

The State Department's top investigator recused himself from probes into the Blackwater security firm after discovering that his brother is connected with the company. As if he didn't know. Howard Kongard's brother Buzzy is linked to Blackwater. Rep. Henry Waxman is examining allegations by current and former officials in Kongard's office that he thwarted probes into waste, fraud, and abuse in Iraq, including arms smuggling by Blackwater.

Buzzy Kongard is former executive director of the CIA and was with Brown & Co. and was the executor of the options and stock trades that occurred before 9/11 in behalf of Zionist interests. They all knew 9/11 was coming because they were part of it. To this day the SEC and our government refuses to tell us who made those trades based on inside knowledge.

The Massachusetts Secretary of State has charged a unit of Bear Stearns with engaging in improper trading activities at two collapsed hedge funds. They traded complex securities from their own account with hedge funds it reversed without the required notifications to the funds' independent directors. This is fraud but we promise no one will go to jail. The firm will pay the penalty and fines and the criminals who run the firm will get off as usual.

Citigroup, Bank of America and J. P. Morgan Chase are creating a $100 billion super fund via contributions from other banks in order to create another subterfuge, so they can remove these toxic securities from their financial statements.

This is disturbing, it is more disturbing that the media and the financial community thinks it is just fine and worse, the Treasury Department does not have powers to set up private funds, much less to solicit contributions from private parties. The bottom line is Mr. Paulson, our Treasury Secretary, represents the banks he is supposed to regulate, not the American people. He recently praised NY Governor Eliot Spitzer, the Governor who recently had to back off from giving illegal aliens driver's licenses, because Mr. Paulson called on financial institutions to bail out the big banks. This is how private banking interests run your government, and it is illegal.

Investor Jimmy Rogers has again urged people to get out of the dollar and says he expects to be rid of all his currency assets by next summer. The dollar has fallen 9.5% against the USDX this year. He criticized Fed Chairman Bernanke who called him a "total fool." He said, "Americans who buy only American goods are not affected if the value of the US dollar goes down." Rogers said, "He was terrified."

The number of American's filing first-time unemployment claims for unemployment benefits rose 20,000 to 339,000 for the week ended 11/10. The number of people collecting state unemployment benefits fell to 2,568 million from 2.575 million. WCI Communities, a Florida homebuilder, will fire 25% of its workforce.

Foreclosures in the Queens section of NYC in the 3rd quarter rose 69% from a year ago. That was 2,790 homes and condos. Brooklyn followed with 2,498 properties, up 31%. The Bronx jumped 43% yoy and was up 19% from the 2nd quarter. Staten Island fell 12% to 613.

The crisis of confidence in bond insurers that bestow top credit ratings on debt sold by borrowers may cost investors $200 billion. The AAA ratings of MBIA, AMBAC Financial and their five smaller competitors are being reviewed by Moody's, Fitch and S&P. If lowered it will be a huge destabilizing force. MBIA has a 28% probability of default; AMBAC is 40%, prices of derivatives show. The subprime losses have eroded the capital of these insurers and if they go under, which we believe they will, the buyers, the investors will have lost their insurance protection.

Rating reductions also affect a number of other investment areas. There are about 110 municipal bond funds that are required to hold most of their assets in

AAA debt. If the ratings are dropped, they have to sell. A drop from AAA to A would cost them $9 billion.

Those insurers are on the hook for $100 billion. Worse yet, any party insured would lose if the insurers go under. This could well be the next bomb to hit.

Thousands of municipal finance managers across the country haven't been told that state run pools have parked taxpayers' money in some of the most complex, opaque and illiquid debt investments ever devised. That includes SIVs, CDOs, MBSs and ABSs. As an example: the $27 billion Florida pool has $2 billion invested in this toxic garbage, of which $727 million has already defaulted. That means reduced services and higher taxes.

All told, there are about 100 such pools containing more than $200 billion. Other states on the hook are Connecticut, Maine, King County, Washington and Montana, with 19% of its assets in the toxic category. The fallout from these frauds is going to be financially devastating.

The typical California house value is back to what it was last year. The median price last month was $444,000, the lowest since April 2005. That is a 3.9% drop from September and 8% yoy. Value in Riverside County fell 15.1% and LA County 3.8%

Manufacturing activity in the NY Fed district decreased in November slipping from 28.75 in October to 27.37 in November. New orders fell to 24.49 from 24.97 and shipments improved from 28.59 to 32.19. Unfilled orders were minus 1.20 versus a positive reading of 3.49. The number of employees decreased to 10.63 from 20.51 and the average workweek decreased to 4.76 from 23.26. The expectations index fell sharply to a reading of 30.52 from 50.55. These are all terrible numbers.

The government may go ahead with its bid to seize assets from Ken Lay's estate, a judge ruled, denying a request from the Enron chairman's widow to stop the effort. The government is seeking nearly $13 million from Lay's estate, including his upscale condo. The government will have to prove his guilt again at a civil forfeiture trial as though the criminal trial hadn't happened. Lay gained $99 million from criminal activity.

October industrial output fell 0.5% in October, the biggest fall since January. Capacity utilization fell from 82.0% to 8.17%.

Fannie Mae is a disaster waiting to happen. Their Book of Business of Mortgages, MBS and other credit guarantees of $2.7 trillion are backed by only $39.9 billion in shareholder equity. Fannie is over one year behind reporting financials.

USA Today plans to cut 45 newsroom jobs, or about 9% of the editorial staff due to declining revenue.

The BLS had energy prices down 0.8% in October. The PPI report is so blatantly bogus that even those pundits and economists that believe BLS data excused the absurd report. Methodology is part of the fraud. Gasoline futures increased 1.72% and crude oil 2.91% from September 12th to October 9th, yet BLS gasoline prices were down 3.1%.

The Orlando Business Journal says foreclosure filings are up 184%.

The S&P 500 Index priced in euros or gold has broken below support and is close to the August lows. If the August lows are breached, selling intensity will increase substantially.

Goldman Sachs say, "The slump in global credit markets may force banks, brokerages and hedge funds to cut lending by $2 trillion and trigger a 'substantial' recession in the US."

We were the first to declare that foreclosures would exceed $400 billion with $750 billion an easy possibility. Now Goldman agrees a year later. Goldman's current take is now the same as famous economist Joseph Stiglitz.

Fannie Mae had its biggest two-day drop since 1987, after executives failed to ease investor concern that it may have downplayed credit losses. The shares fell $5.60, or 13%, to $37.44 after falling 10% the day before. A Fortune Magazine article said Fannie altered how it measures the impact of mortgage foreclosures in a way that understates losses. Lies, lies and more lies.

October California home sales were the lowest in more than 20 years; 24,832 homes were sold down 40.9% from 43,720 yoy. Sales rose 5.6% from September. The median home price was $424,000, down 1.4% from September and 9.2% from October in 2006.

Joseph Stiglitz, Nobel-price winning economist said the US economy risks tumbling into recession because of the subprime crisis and a "mess" left by the former Chairman Sir Alan Greenspan. Stiglitz said he was very pessimistic. There has been too much liquidity pushed into the system at the wrong time. The richest country in the world cannot live within its means. It is a real example of macroeconomic mismanagement.

OPEC has ignored US calls to increase production. They say the demand for crude oil will fall by 229,000 barrels a day in 2008 on slowing consumption.

In the San Francisco Bay area home sales fell 35.7% in October. Single-family homes fell 41.3%. This was the 33rd month in a row of year-to-year sales declines. The median price was $685,000, up 3.8% from $660,000 yoy.

Homes sold by DeNova Homes were selling for $900,000 six months ago. The builder will sell a dozen unsold homes at bids starting at $300,000.

Both Fannie and Freddie are raising fees on certain mortgages they buy to reflect the higher risk of default. Those who borrow more than 70% of their property's value and have credit scores below 680. The new charges range from 0.75% to 2% dependent on credit scores.

Equity mutual funds saw a net $2.28 billion walk out the door last week. They pulled $3.25 billion out of funds in US stocks, or about half of what they pulled out the previous week or $6.26 billion.

The SEC has eliminated a rule requiring foreign companies with US traded shares to explain their financial results in line with US accounting standards.

More than 1,000 people from 85 countries who are accused of such crimes as rape, murder, torture and genocide are living in the US. We are a haven for war criminals because we lack the laws to prosecute them.

Victims of the civil war in Colombia have sued banana importer Chiquita Brands, accusing them of making payments to a paramilitary group responsible for thousands of killings. Families are seeking $7.86 billion in damages for abetting atrocities including terrorists, war crimes and crimes against humanity.

There will be new safety inspections for foreign-made medical devices, but not for those made in China - another discriminatory practice. Treasury Secretary Paulson has accomplished nothing over the last 15 months.

Massachusetts says cuts in Medicaid will cost the state $100 million and make it harder for tens of thousands of low income and disabled residents to obtain healthcare.

We have a two-tiered FASB 157. It is fully in place for financial companies, while being somewhat delayed for non-financial companies. Banks, brokers and investment bankers, but not for other types of companies. They will come soon.

Total net TIC flows fell $1.47 billion. For the prior month it fell $150.7 billion. Net long-term TIC flows were $26.4 billion. Net foreign purchases of long-term securities were $55.4 billion. Of this, net purchases by foreign official institutions were $28.5 billion, and net purchases by private foreign investors were $26.8 billion. US residents purchased a net $29.0 billion of long-term foreign securities.

Net foreign acquisitions of long-term securities were $5.8 billion.

Foreign holdings of Treasuries were $3.8 billion. Foreign holdings of Treasury bills decreased $10.3 billion.

China sold Treasuries again; they held $400.2 billion in August and $396.7 billion in September.

A blunder by OPEC yesterday exposed a disagreement between Saudi Arabia and Iran about the falling dollar when a private meeting of ministers was broadcast to journalists by mistake.

Iran's written proposal that a final declaration by OPEC leader who arrive Saturday for a 2-day summit should express concern by member states over the fall of the US dollar.

Saudi Price Saud al-Faisal warned that mentioning the falling dollar could lead to the collapse of the US currency. Iran was backed by Venezuela. Prince Saud, who was chairing the meeting, described the Iranian proposal as sensitive. Iran, which sells over 80% of their oil in other currencies this year has saved $10 billion doing so.

Soldiers strained by six years of war and multiple tours of duty are deserting at the highest rate since 1980, with numbers up 80% since 2003. Numbers are up 42% since last year. Nine of every 1,000 soldiers went AWOL in 2007 or 4,698 versus 3,301 the prior year.

This past week the Dow rose 1%, S&P rose 0.3% and Nasdaq gained 0.7%. High Tech added 0.5%, semiconductors fell 2.3%, telecommunications rose 2.6% and Biotechs gained 1.3%. Broker/dealers added 0.3%, while banks declined 0.2%. Gold bullion fell $45.00 and the HUI fell 6.8%, but is still up 21.8% on the year.

The 2-year Treasury yield fell 4 bps to 3.33% and the 10's dropped 5 bps to 4.16%. Citigroup sold $4 billion in 10-year notes at the highest yield relative to benchmark interest rates in the banks history. The 6.125% securities yielded 190 bps over Treasuries of similar maturity, up 118 bps, in a similar offering three months ago. The German 10-year bund rose 2 bps to 4.105% putting the spread between US 10's at only 5.5 bps. Why would anyone buy US Treasuries?

Freddie Mac posted the 30-year fixed rate mortgage at 6.24% unchanged for the week and for the year. The 15's fell 2 bps to 5.88% and the one-year ARMs were unchanged at 5.50%.

Ominously, bank credit surged another $73.8 billion during the week to a record $9.92 trillion. That is a 16-week gain of $548 billion, or 20.6% annualized with a ytd rise of 12.5%. Securities credit jumped $62.7 billion for a three-week gain of $102.7 billion. Loans and leases rose $11.1 billion to a record $6.694 trillion, a 16-week gain of $381 billion. C&I loans fell $1.1 billion but up 20.2% ytd. Real estate loans increased $2.4 billion, consumer loans $4.5 billion and securities loans $29.3 billion. Other loans fell $23.8 billion.

M2, narrow money supply, declined $20.3 billion to $7.407 trillion. That is $363 billion ytd, or 6% annualized, or 6.5% ytd.

Total money market assets jumped $24.3 billion, or 59% and a ytd increase of $643 billion, or 30.5%, or a yoy gain of $738 billion, or 32.2%.

Total commercial paper declined $4.2 billion to $1.862 trillion. CP is down $361 billion over the past 14 weeks. Asset backed CP added $3.4 billion, a 14-week

drop of $301 billion last week to $882 billion ytd. CP has shrunk $112 billion, with ABCP down $212 billion. Over the past year, total CP has declined $68 billion, or 3.5%.

Asset backed securities (ABS) increased $5 billion. Year-to-date issuance was $514 billion, which is 35% behind 2006. At $219 billion ytd Home Equity ABS sales are 56% off last year's pace. YTD CDO issuance of $285 billion is now 11% below 2006.

Fed foreign holdings of Treasury, Agency debt fell $3.8 billion to $2.029 trillion. Custody holdings, for foreign central banks were up $277 billion ytd, or 17.8%, and $325 billion yoy, or 19.1%.

The net asset value of SIVs that borrow short-term to buy higher yielding securities, has fallen to 69.7% as the credit slump erodes their holdings.

To quote former Treasury Secretary John Connolly's statement, "It may be our currency, but it is your problem." We see today in a mirror. That statement began the beginning of the end for fortress America, as we wrote at that time, 8/15/71. This failure has been accomplished by our banks and Wall Street. The dollar is free fall and so is our whole society. That is why for those who demand a currency it is the Swiss franc, or better, Swiss franc government bonds.

The USDX, dollar index, gained 0.6% to 75.83. Gold fell 5.4% to $787, and silver 6.7% to $14.51. Copper rose 0.6%, crude fell $1.46 to $93.84, gas fell 3.3% and natural gas increased 1.3%. Wheat fell 1.6%, the CRB declined 1.4% and the GSCI fell 1.3%.

Southern Company has been named as one of the world's top producers of global warming pollution. It is also among the largest financiers of Republican Party politicians. Its employees gave George W. bush $217,047 to help him get elected and they and the company gave an extraordinary $6.2 million to Republican campaigns. Their plant in Juliette, Georgia emits more carbon dioxide than Brazil's entire power sector. This is how business is done in a corporate fascist state.

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Dear Liberty Dollar Supporters:

I sincerely regret to inform you that about 8:00 this morning a dozen FBI and Secret Service agents raided the Liberty Dollar office in Evansville.

For approximately six hours they took all the gold, all the silver, all the platinum and almost two tons of Ron Paul Dollars that where just delivered last Friday. They also took all the files, all the computers and froze our bank accounts.

We have no money. We have no products. We have no records to even know what was ordered or what you are owed. We have nothing but the will to push forward and overcome this massive assault on our liberty and our right to have real money as defined by the US Constitution. We should not to be defrauded by the fake government money.

But to make matters worse, all the gold and silver that backs up the paper certificates and digital currency held in the vault at Sunshine Mint has also been confiscated. Even the dies for mint the Gold and Silver Libertys have been taken.

This in spite of the fact that Edmond C. Moy, the Director of the Mint, acknowledged in a letter to a US Senator that the paper certificates did not violate Section 486 and were not illegal. But the FBI and Services took all the paper currency too.

The possibility of such action was the reason the Liberty Dollar was designed so that the vast majority of the money was in specie form and in the people's hands. Of the $20 million Liberty Dollars, only about a million is in paper or digital form.

I regret that if you are due an order. It may be some time until it will be filled... if ever...

it now all depends on our actions.
Everyone who has an unfulfilled order or has digital or paper currency should band together for a class action suit and demand redemption. We cannot allow the government to steal our money! Please don't let this happen!!! Many of you read the articles quoting the government and Federal Reserve officials that the Liberty Dollar was legal. You did nothing wrong. You are legally entitled to your property. Let us use this terrible act to band together and further our goal – to return America to a value based currency.
Please forward this important Alert... so everyone who possess or use the Liberty Dollar is aware of the situation.
Please click HERE <http://www.libertydollar.org/classaction/index.php> to sign up for the class action lawsuit and get your property back!
If the above link does not work you can access the page by copying the following into your web browser. http://www.libertydollar.org/classaction/index.php
Thanks again for your support at this darkest time as the damn government and their dollar sinks to a new low.

Bernard von Not Haus Monetary Architect

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From a fellow subscriber:

I was just reading yesterday's newsletter, and you had a subscriber mention that until now he never been interested in guns until now. I wanted to recommend to people who wonder where to train with weapons for what is coming. Get a copy of Shotgun News, and reads Fred's column from fredsm14stocks.com, and find out how to attend an Apple Seed training shoot in most states, also go to rwva.org (Revolutionary War Veterans Assoc).

*****

From a fellow subscriber:

Dear Chairman Bernanke,

Can you please print another $200 billion to cover the trade and TIC deficits for the last three months???? We will probably need a lot more in the future as foreigners seem to be smarter than us Americans and have figured out your solution to our debt problems. No need to worry about the impact on the dollar, you clearly have gold and silver under tight control. Americans probably won't notice the increases in money supply and inflation since there is no M3 published and we aren't smart enough to notice the increases in food, energy and everything else. It will be months before hyperinflation forces the abandonment of the dollar in favor of the Amero - after martial law has been instituted to crush the social unrest caused by the chaos you and your friends have created. By then, you and your children and grandchildren will probably be well protected from the wrath of the 300 million dumb Americans who will be looking for someone to blame. Sleep well Ben, you certainly have us fooled. Chuck Augustin

	TIC	Deficit
Jul	19.2	59.2
Aug	-69.3	57.6
Sep	26.4	56.5
	-23.7	173.3

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FOLLOW THE MONEY with Pat Kiley
FOREIGN EXCHANGE MARKETS

At last some positive news – the lower USD is now being reported in European newspapers as a huge opportunity for Christmas shoppers. There are suggestions that people may jump onto planes and head across the Atlantic to snap up bargain priced Christmas presents; could this be tourism led economic recovery? **One word – unlikely**….

The sub prime crisis has reared its head again with banks, other financial institutions and large funds reporting massive right downs on the value of their portfolios. Combine this with a housing market that shows no signs of a bottom, likely slowdown inferred in consumer spending and oil price generated inflation - it certainly looks a little dim out there.

Let's look at this as a little bit of justice though; the banks and fancy dealers out there have been really smart developing all these wonderful new financial instruments and now it is time for them to get a bit of their own back. Many of these credit department whiz kids are going to be looking for new jobs shortly and they won't be spending their whopping Christmas bonuses in Aspen this year.

The big question is – is it all in the open now? **One word – unlikely**….

New accounting requirements come into play this month where all the illiquid assets the banks and financial institutions have plunked in the bottom drawer have to be valued. These are called level 3 assets and the rumor and suspicion is that there is a lot of junk in the drawer. The one saving grace is that these institutions are declaring writedowns; be prepared for more!!! Ask yourself when the mortgage and credit insurers will start coming clean on their losses associated with the failing housing market and sub prime mess. It would be good to take a few bets on how many insurers will go to the wall; I'm picking a good number are going o be seriously injured and I hope they're well insured. It's a big circle and I reckon a few will be shortly disappearing up their own backsides!!!

The markets continue to be predictably unpredictable. Oil has come off a little (still going $100 + though) Gold has retreated, EUR USD taking a break (still going to 150 though) and USDYEN holding around 110 (look out 100). Carry trades are unwinding, it's a minefield out there – can you make sense of it all?

You have an opportunity in this economic cycle to protect your money and to profit from the inefficiencies the US Government has bestowed upon us. When you combine policies like this and print, as much paper currency as you need – every science out there says there has to be a contraction. Tell your friends… Tell your family members. This information is a must for anyone who has a positive net worth. If you have any investments - an IRA or a 401K plan you need to call me and get this valuable information. There are better alternatives than overpriced stocks and under-performing bonds. Real estate – be careful. The smart ones are getting out. Insurance and Annuity products are in trouble. These companies don't have your money. In the next 10 years you will see the unraveling of this industry – and it will go down as the biggest Ponzi-scheme of all time. Think about it. Who pays for September 11th? Who pays for New Orleans? Who pays for hurricane damage? Insurance companies are equivalent to bookies on the street. They're gambling with your money in a loosely

regulated arena. Informed and intelligent people are getting out of insurance and annuities. The retail Yen program is exploding. This is **not** a carry trade. Take advantage of this incredible investment opportunity while you can. I have gotten the 5 million dollar minimum investment requirement waived for my clients. Any retail client can invest in this – whether its cash, an IRA a 401K or even a company account. At some point, we may have to close this program to new investors. Get in while you can. Time is of the essence. The real inflation # is 10%+. If investors aren't returning at least 10% they are losing money and going backwards. As always, I will send you, free of charge any and all of the information you require. I'll take my time and educate you so you can make the appropriate decisions. I also urge everyone to visit my website at www.patkiley.com. Call toll free **888 292 8206** for important information specific to the economy and the future outlook for your investments. The call is free, the information is free - **888 292 8206.** Just tell me you subscribe to the International Forecaster.

PROFIT PLAYS
The EURUSD still positive with a high so far of 1.4752 signs of some consolidation here but I remain with the view this goes higher – next intermediate target is 1.49 assuming a break to the upside on the pennant formation

Failure to break lower and the unwinding of carry trades in the USDZAR (South African would have been taken out on the topside at the closer stops recommended last week. While the trade moved strongly towards the target initially, a loss of momentum was evident signaling a time to be careful and a small profit (but still a profit) was preserved.

AUD
Last weeks warning of potential drop in AUD has come to fruition and we saw a significant correction testing support at 0.8750. Currently experiencing a retest of this support with the unwinding of the carry trades – look to go long if support holds with protection against further drops. Longer target still towards parity i.e. 1 USD = 1 AUD

EURCHF easily made the target of 1.6440 going as low as 1.6350. Any remaining position taken out at 1.6470 from trailing stop

GOLD
Better late than never for the short trade; while still bullish on the shiny stuff long term there is still more downside potential to 750. Be very wary of bad economic news spooking it higher very suddenly – keep call option protection in play and look to take profits. Expect the call option may well urn profitable soon as gold resumes it's charge.

POTENTIAL NEW TRADES
Sell CHFNOK (Swiss Franc Norwegian Kroner) at current level 4.89 with a stop above 4.95/97, the cross is testing the falling trend line back from October 2006. This is also the same level as the break out down in 2002. Add to it the 50% Fibonacci resistance from the drop 5.33 to all time low of 4.53 giving 3 valid reasons for a correction towards 4.70 area. I suggest taking 50% profit at 4.80 and move the stop to 4.92 if this profit is taken.

GBP JPY - a contrarian trade with an option protection.

Note the head and shoulder formation in the GBPJPY weekly chart suggesting a buy at around 222 with protection from buying a 150% cover put at market for a minimum of 3 weeks. This option will be a little expensive reflecting the high volatility and also the reason not to run a close physical stop loss in the market (risk of false stop loss trigger). I suggest 150% cover because if we do break lower and the SHS (shoulder head shoulder formation) reaches the target of the formation then the target is 30 big figures lower at around 190. This cross is only for trades with very low gearing.

I urge everyone who hasn't come aboard to look at some past issues. I will send them out to you absolutely free of charge. Remember, these trades are utilizing highly leveraged strategies in the Foreign Exchange Markets. Only risk capital should be used. Typically, each trade risks $1,000. I can and will have losing trades in the future – these past 12 months have not been the average. Only more aggressive investors should be utilizing this part of the newsletter. Conservative investors seeking annual returns in the 15%-30% area should view protection strategies and work with me accordingly. Please phone the toll free # to see which type of investment plan is appropriate for you. It is very risky to be 100% invested in the US dollar. Call toll free **888 292 8206** for free information.

PROTECTION STRATEGIES

Current interest rate spreads in global markets are simply offering opportunities that were not here 3 or 4 years ago. Investors need to understand the importance of timing and shifting out of asset classes that are over valued and into asset classes that are under valued. These opportunities will not necessarily be here forever. Most strategies in this section are arbitrage (my vocabulary word of the week) based – meaning NO MARKET EXPOSURE!!! This is how I sleep safe and sound at night. This is by far the best area to be in to protect your principal and to beat inflation. I think you already know that most fixed products (Bonds, CD's, Annuities, Savings Account's, etc.) sold to the retail public fail to do this. You need to educate yourselves and "bullet-proof" your money with our strategies and methodologies. I am happy to do a free assessment for any of Bob's subscribers. As always, any International Forecaster readers may call me for free information. Our IRA accounts are insured to $500,000 per account and are held in **SEGREGATED ACCOUNTS**. They are held with the largest independent custodian in the U.S. – over 8,500 accounts and 600 million in assets. All accounts are always 24 hours per day liquid. Statements can also be checked 24 hours per day so you have an up-to the second accounting. Clients also have a choice if they would like to use some of our European based holding companies. Cash accounts also offer typical FDIC and other insurance and guarantee backing. This is all you need to know. Call toll free **888 292 8206** for a free consultation and detailed financial plan. I will help you figure out whether or not your funds are segregated from the financial company your dealing with. You at least need to know the financial stability and solvency of your investment holdings. I will help you go over your current investments so you can have an easy to understand assessment of your situation. **888 292 8206.** As always, Bobs subscriber's work with me personally. This is my direct, toll free #. Pat Kiley.

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Regards
Pat Kiley
888 292 8206
patk@popp.net

We appear every Monday & Wednesday as co-host with Pat Kiley. We have no financial arrangements with Mr. Kiley.

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Please remember that past performance does not guarantee the future value of any investment.

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Drug Smuggler in Ramos and Compean case arrested – proving Sutton lied: http://www.worldnetdaily.com/news/article.asp?ARTICLE_ID=58727
and
http://www.worldnetdaily.com/news/article.asp?ARTICLE_ID=58735

Two important articles on using the military in US domestic emergencies: http://www.worldnetdaily.com/news/article.asp?ARTICLE_ID=58728
and
http://www.worldnetdaily.com/news/article.asp?ARTICLE_ID=58696

Also, an article on a huge ultra-deep oil find off Brazil (more support for abiotic theory of the origin of oil):http://www.worldnetdaily.com/news/article.asp?ARTICLE_ID=58682

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CITI limits outgoing wire transfer to only $ 2000 per day!!!!

Limits on IIT Transfers
Type of Limit Standard Transfers Next Day Transfers

Incoming
Daily $100,000 $1,000
Monthly* $100,000 $2,500

Outgoing
Daily $2,000 $1,000
Monthly* $10,000 $2,500

https://web.da-us.citibank.com/tandcFiles/printable_cashedge.htm

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Drug Smuggler Shot by Agents Indicted
By ALICIA A. CALDWELL (Associated Press Writer)
From Associated Press
November 16, 2007 6:32 AM EST

EL PASO, Texas - An admitted Mexican smuggler faces federal drug charges more than two years after being shot by a pair of U.S. Border Patrol agents who were later convicted in the shooting, authorities said.

http://my.earthlink.net/article/nat?guid=20071116/473d23d0_3ca6_15526200711161815899596

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FBI raids seize dies, records in CdA

Operation targets 'Liberty Dollar'
Bill Morlin Staff writer November 16, 2007

http://www.spokesmanreview.com/tools/story_breakingnews_pf.asp?ID=12398

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COMMODITIES

Weekly oil inventory rose 2.8 m/b, gasoline rose 700,000 barrels, distillates fell 2 m/b and refining capacity rose 1.5% to 87.7.

Iran will increase oil production to 4.5 m/b/d despite sanctions.

GOLD, SILVER, PLATINUM, PALLADIUM AND URANIUM

Wednesday was snap back day for gold and silver. Gold closed up $15.40 to $812.40 and silver rose $0.44 to $14.99. Both were steady and firm all day. Gold open interest fell 7082 contacts to 552,546. Silver OI fell 1,644 to 146,205. The big Tocom gold shorts increased their shorts by 9,640 to 64,693 contracts as Goldman added 3,149 to net 12,149. In silver the same group increased their net short position by 506 contracts to 988. The XAU gained 2.19 to 178.46 and the HUI rose to 423.62. The Dow fell 93, S&P 102 and Nasdaq 176 Dow points. The yen fell .24 to $1.1141, the euro rose .27 to $1.4645, the pound fell 2.13 to $2.0538, the Canadian dollar fell .68 to $1.0358 and the USDX, dollar index fell .08 to 75.82. The 2-year yielded 3.54% and the 10-year 4.27%. Oil rose $2.73 to $93.92, gas rose $0.05 to $2.37 and natural gas fell $0.10 to $7.85.

Global gold demand in the third quarter rose 19% yoy to 947.3 tons.

Total demand from gold exchange traded funds, ETFs, surged to 138 tons versus 19.2 tons yoy. Jewelry demand climbed 6% yoy to 591 tons. Total investment demand was 241 tons versus 122.7 tons yoy.

The gold market has showed amazing strength considering what was just thrown at it. We see it going back up next week.

Early Thursday you can again see the powerful force that the yen carry trade has become. The yen is up .63, the euro off .26, the pound off .71, the Dow off 60, S&P 85, Nasdaq 136 and FTSE off 110 Dow points. The CAC off 82 and the DAX off 94. Oil off $0.25, gas $0.01 and natural gas up $0.06. Gold off $11.90, silver $0.35 and copper was the only thing really up and that was +$0.19. The 2-year was 3.46% and the 10’s 4.24%.

On Thursday we found out the sellers are not dead yet. Gold fell $26.70 to $785.50 and silver fell $0.57 to $14.42. The access markets were about unchanged. Gold open interest fell 825 contracts to 551.721 on Wednesday. The yen rose .92 to $1.1025, putting pressure on gold and silver and the market. The euro fell .31 to $1.4614, the pound fell .78 to $2.0449, the Canadian dollar fell .11 to $1.0140 and the dollar index rose .25 to 76.05. The Dow fell 121 to 13,110, S&P 175 and Nasdaq 155 Dow points. The 2-year fell again to 3.32% and the 10's fell to 4.15%. Oil fell $0.45 to $93.65, gas fell $0.03 to $2.34 and natural gas fell $0.13 to $7.70. Wednesday's big Tocom gold shorts cut shorts by 1,687 contracts to 63,006. Goldman covered 546 to 11,573. The same group increased net silver shorts by 69 to 1,057. The XAU fell 8.75 to 170.22 and the HUI fell 18.46 to 405.16.

Barrick Gold says gold supply will fall faster than expected, as it gets harder to extract gold from deeper and older mines. They said more supply is going to fall much faster than people believe. Many of the mines that people are anticipating bringing into production will either not come into production or will be on a much longer time frame.

They also said this week, which was not reported in the US, that they would continue to hedge part of their gold bullion output to protect their investment in longer-term projects. Barrick was deliberately set up in 1988 to manipulate gold prices by the US and UK governments and the elitists who control them.

Early Friday was mixed. The Dow fell 22, S&P 19, Nasdaq 23 and the FTSE 95 Dow points. The CAC fell 56 and the DAX 88. The yen rose .29, the euro was off .18 and the pound fell .60. The 10-year Treasury note yield was 4.14%. Oil rose $0.56, gas fell $0.01 and natural gas was $0.02 lower. Gold was up $3.90.

The Reserve Bank of India, which is number 6 on the list of gold and currency reserves is debating whether it should increase its gold reserves. The proportion of gold in forex reserves has fallen to 3.6%. The reserves are in multi-currency, multi-asset portfolios. We think India will increase gold reserves and that will positively affect the market.

Wall Street has a big, dark secret that you almost never hear mentioned in the mainstream media. All we ever hear about are the underlying mortgages, bonds and other securities which are in the process of being trashed with ever-increasing thoroughness, such as CDO's, ABS's, MBS's and other types of toxic alphabet soup which we have become all too familiar with over the past several months. But these instruments along with other equity swaps, futures and options are only the tip of the iceberg. There are two other types of weapons of mass financial destruction that comprise roughly 97.5% of the roughly 400 *trillion* dollars of notional value for all outstanding derivatives. The loss exposure from a meltdown of these derivatives is the big, dark secret referred to above, and has been totally and deceitfully miscalculated by the Bank of International Settlements (BIS) to be a tiny fraction of the actual potential risk because they do not want investors to panic at the sheer, gargantuan size of this loss exposure on a worldwide basis should these derivatives fail. And believe us when we tell you, investors should be panicking. If they had even a lick of sense, they would be fleeing all financial markets in terror, with the exception of precious metals and their resource stocks, because all these other markets will be vaporized when the final cataclysm becomes manifest.

The first type of killer derivative is called a credit default swap (CSD). Without getting too technical, this is basically a contract where party A receives a periodic fee from party B over a specified period of time to insure that party B suffers no loss from a default in the repayment of debt owed in connection with a bond or other obligation of a reference entity C. Never mind that party B does not necessarily have to own any of

C's bonds, as we can just make up the contract out of thin air if we want to without any money being put up as collateral by party A for their potential liability to party B. The total amount of insurance covered by all party A's for all party B's, incredibly, has no relation to the actual amount of debt owed by C on the underlying bond. As an example, you could have CDS's covering many multiples of the total subject bond debt of C, because there could be many different party A's insuring the full amount of C's debt to their corresponding party B's. This is total insanity, because if party C defaults, the resulting losses to the various party A's under their insurance contracts with their corresponding party B's could be many multiples of the actual total debt of party C. The impact of C's default on the markets where its debt is traded could thereby be greatly amplified due to this duplication of insurance. It is the functional equivalent of allowing anyone with enough bucks to insure the life of someone they do not even know, thus allowing for rampant speculation on whether that person will live or die and inviting a potential murder of that person by the parties who could benefit thereby. These CDS's also give a false impression of market security, thus reducing risk assessment and risk aversion, because multiple parties are insured against the same risk, namely C's default, and no sell-off of the underlying asset, namely C's bond, occurs because the risk of loss has been insured over and over again by most, if not all, major investors in C's bond. Who are the freaking geniuses who came up with this magnificently imbecilic idea?

The second type of killer derivative, and by far the largest in terms of notional value, is the interest rate swap (IRS), and we might add that you have far less to fear from the IRS tax collectors than you do from these IRS swaps. This little beauty comes in many shapes and sizes, but the most common is a fixed-for-floating rate swap in the same currency where party A agrees to pay party B a stream of floating or adjustable rate interest income payable in a specified currency in exchange for a stream of fixed rate interest income to be paid by party B to party A in the same currency, starting with a zero net differential between the floating and the fixed rate payments, with the principal amount for purposes of calculating interest payments being notional only. This means that the "principal" is an imaginary amount determined by the parties for purposes of making interest calculations and that no money is exchanged between the parties in terms of principal value, only in terms of interest differentials between the fixed and the floating rates on the notional principal as will vary over time depending on whether interest rates are rising or falling. This means that the swaps are totally naked, which allows once again for rampant speculation based on fluctuations in rates of interest and which further reduces risk aversion for what anyone would normally consider to be deadly adjustable rate loans based on the illusion that they have hedged their bets even though no collateral has been put up to cover the other party's potential liability under the derivatives contract if rates move against them. This is how risk is skewed by derivatives. Presumably, "all" you have to worry about is the cost differential between the floating and adjustable rates when applied to the notional amount of principal selected if interest rates turn against you. So you can imagine how large the notional principal might become for those with money to burn like hedge funds. These IRS contracts are literally created out of thin air and are limited only by the respective imaginations of the parties. And as with CDS's, no collateral has to be put up by either party to secure their potential liabilities under the derivatives contract, and due to their often unique nature and the fact that they trade on the OTC derivatives markets, they may at some point become very illiquid like the other forms of toxic waste if interest rates get way out of balance. Again we ask, who are the boneheads that came up with this idea?

Adding fuel to the upcoming conflagration will be the fact that the majority of these CDS's and IRS's are as naked as a jaybird and are leveraged to the hilt! This is why the IBS figures are so very wrong, because they fail to take into account the myriad of leveraged situations that these weapons of mass financial destruction are now a part of, and what impact the sudden loss of market security resulting from a meltdown of these derivatives might have on markets overall. There could well be a synergistic effect where total losses are much greater than the sum of their parts. What happens when nearly all bank reserves are vaporized in a matter of a few months, or even within weeks, as they and their customers swirl around in a big bankruptcy toilet bowl on their way into being flushed into fiat money hell and oblivion? Will the Fed skip monetizing trillions of dollars in repos and move right into monetizing quadrillions? How much would a dollar be worth then? We shudder to think!

As usual, our financial "geniuses" have not thought the full derivatives process through to its potential ultimate conclusions. They look at the positives and ignore the negatives. Just as with the black boxes used by Wall Street and institutional investors that do not take into account catastrophic situations involving heart-rending volatility of prices, the whole system of derivatives is doomed to fail catastrophically if anything happens outside of the artificially predetermined parameters chosen by the "geniuses" who continually fail to recognize that playing markets is a form of art and can not be boiled down to a series of mathematical equations. The human elements of greed and fear which drive markets can not be quantified with sufficient accuracy to safely trade when large imbalances suddenly grip entire market segments such as with the real estate debacle. The "geniuses" always get screwed any time something unprecedented occurs. You cannot set parameters for something that has never happened before, at least not accurately enough to remove the risk of substantial and systemic failure.

And now because of the Fed's profligacy and the Treasury's incompetence, we will soon become the next Weimar Republic, so fire up your wheelbarrows full of dollars for the next time you have to go to the grocery store. The rampant gambling and speculation on the back of ludicrously low interest rates set during Greenspan's Folly, an out-of-control national debt which has exploded on account of perpetual wars for perpetual peace and perpetual profits, trade imbalances from free trade, globalization, off-shoring and outsourcing, and now monetization of repos in multi-hundreds-of-billions in bank bailouts together with a hapless, abandoned dollar that is about to become a Banana Republic currency as the Fed continues to lower interest rates to bail out its denizens of Wall Street, we are headed toward inflation like nothing anyone in the US has *ever* seen before in the entire history of the United States. The resulting hyper-stagflation will drive interest rates into the ozone and completely fry and vaporize those who are on the wrong end of IRS's (i.e. those paying out interest based on the floating rate side of the contract). And consumer spending and the real estate markets will dry up, sending many corporations into bankruptcy and igniting a thermonuclear meltdown of CDS's, with each defaulted company bringing down multiple CDS insurers due to the duplication of insurance discussed above. Perceived risk in the markets will then accelerate, driving interest rates even higher, exacerbating hyper-stagflation and further vaporizing both CDS's and IRS's in a cascade of defaults that will take down the entire world economy and all financial markets around the entire globe just as sure as God made little green apples. All the leverage used by, and all of the interconnections between, the various counter-parties involved in the many types of derivatives will finally start to be known, and only those in gold, silver and their related stocks will be saved from complete and utter financial annihilation.

Well, the mainstream media, the analysts and the pundits are already predicting the downward trend in gold to a price somewhere in the 750 range by the end of the year. The Fed-heads are out jawboning about how we may not need more rate cuts in order to slow gold down and support the sagging dollar as they continue to lie through their Wall-Street-bailing teeth in their desperation to save the commercial shorts from a walk into Crispy Critter Country. They say there will be a big correction in gold and silver this year and prices will not move up until next year. What they fail to mention is that there are still almost 240,000 open December gold futures contracts even after the 22,000 that were closed out on Thursday which undoubtedly accounted for gold's rise to about 818 that day, and that the commercial shorts own most of them, many of which are now still underwater by about $15,000 per contract even with gold stubbornly holding at about 790. Already the open gold futures contracts for February have soared to a very manipulative level of 116,000 contracts as the cartel gears up for the winter/spring rally for precious metals, and as the cartel attempts to intimidate traders and attempts to take the public out of the precious metals markets for fear of a big correction and much lower prices. They hope that everyone will forget about the issue of the 240,000 December gold futures contracts that is still unresolved. Do not be intimidated. Support the large specs in their battle to push gold past 850. Do not let up on the cartel. The gold alarm must be rung so people can be alerted to the coming danger. The covering of 22,000 shorts sent gold from Wednesday's close of 797 to a high late Thursday of 818 before a series of substantial central bank sales brought gold down to 785 on Friday. Can you imagine what would happen to the price of gold if there were a short-covering of many multiples of 22,000 short contracts?

The large specs have supported precious metals admirably, and have used the strength provided by many seasonal factors to do substantial profit-taking in gold, silver, oil and other commodities as they load their 16 inch guns with massive physical gold and silver projectiles and push the charges filled with the powder (cash) they have kept dry into the firing chambers to get ready for the final assault on 850. The large spec market strategists are in the conning tower of the USS Silver & Gold, the ancient flagship of our Founding Fathers, deciding on the coordinates for the upcoming bombardment of the gold bear capital located within the COMEX complex in the Land of Fiat Dollars. Many grim looking gold bulls can be seen on the aft deck as they ponder the day they will board the LST's for what can only be described as the next D-Day invasion, financially speaking, embarking on a trip into shark and barracuda infested waters where there can be no turning back. The Screamin' Gold and Silver Eagle special forces were dropped behind enemy lines and attacked the stock markets in the last hour of trading on both Wednesday and Thursday to protect the huge gains they made with their protective derivatives, especially those expiring in November, which the evil Illuminati tried to squeeze with another rally-crash, starting with Tuesday's 319 point Dow dead-cat bounce. The big Dow gain on Tuesday was promptly erased by the large spec's special gold bull forces, who attacked in the closing minutes of trading on Wednesday and Thursday so the evil Fed and PPT did not have a chance to recover the losses. Large gains were also made by large specs in stocks, which were sold into the false strength provided by the PPT. Even the tiny resource stocks seemed to light up on Friday. The large specs have paused to rest and reload. This battle is not over yet, not by a long shot, so stay tuned to your short wave radios as the epic battle between the forces of good and evil takes center stage once again, and heats up to the boiling point as the reprobate forces of the cartel attempt to take on the combined forces of the large specs, ETF's, sovereign wealth funds, Indian brides, and jewelers and investors from India, the Middle East, Russia,

China and Asia. Hopefully once we take out 850, the US and European public will wake up and take gold to $2,000 and beyond!!!

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Crystallex Reports Third Quarter 2007 Results

http://biz.yahoo.com/iw/071114/0328884.html

Wednesday November 14, 4:15 pm ET

TORONTO, ONTARIO--(MARKET WIRE)--Nov 14, 2007 -- Crystallex International Corporation (Toronto:KRY.TO - News) (AMEX:KRY - News) today reported unaudited financial results for the quarter ended September 30, 2007.

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From a fellow subscriber:
An update on the Canadian economy from Toronto's The Globe and Mail Report On Business November 15th.
From Subscriber David Kennedy
Note: Red letters are my addition to the article.

Few aspects of Canada's once-in-a-generation economic boom are as puzzling as Ontario's resilience. So what's the secret? Perhaps it's the one Mr. McGuinty (Prime Minister of Ontario) is responsible for but might not wish to talk about. After watching the flush-with-cash feds expand the public service, Ontario's Grits (Liberals) have jumped on the trend.

David Wolf, Merrill Lynch's top economist in Canada, thought something didn't make sense about the latest employment numbers. He went deeper, and guess what he found? Queen's Park's great job-creation machine is ... Queen's Park (Ontario's government)! "The majority of the total job gains over the past three months have come from two narrow areas - Ontario education and Ontario public administration (both government)," he wrote, which have seen employment rise by 89,000 bodies since July.

That's a big number and a bit misleading. Mr. Wolf suggests it may partly be caused by the province's decision to end mandatory retirement (read older workers can no longer afford to retire at aged 65 years); older government workers may be hanging in a little longer, even as younger replacements are hired. Plus there was the October election, which gave the McGuinty government reason over the past year to add teachers here and nurses there. If Mr. Wolf is right, then some of Ontario's job growth is temporary.

It's obvious that the Grits don't worry much about restraint. Some conservative economists hold the view that governments should limit spending increases to the rate of population growth, plus inflation. That would imply a 13-per-cent rise in provincial spending since 2003-04. But the budget plan for this fiscal year calls for $91-billion in expenses - or 23-per-cent higher than four years ago.

More spending is what the McGuintyites promised in 2003 and what they were re-elected on, so fair enough. But can the province afford a public sector spending binge if the private sector economy goes pear-shaped?

Any budget is based on assumptions, and one of the assumptions the government made was that the dollar would be about 86 cents (U.S.) (current value of the Canadian buck is 1.0263usd down from the recent high of 1.10). The fine print says that, for every cent it goes up, the province stands to lose between $25-million and $125-million in revenue. So dollar parity implies a revenue loss of $350-million to $1.7-billion.

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THIS WEEK IN COINS
Melody Cedarstrom

A system of capitalism presumes sound money, not fiat money manipulated by a central bank. Capitalism cherishes voluntary contracts and interest rates that are determined by savings, not credit creation by a central bank. Ron Paul

Gold, and Palladium Intra-Day Highs Before Hit By Profit Taking
In a week where the Precious Metals were hit by profit taking, both Gold and Palladium hit intra-day highs this week. Gold closed down after profit taking.

The continued loss in the US residential real estate market shows no sign of slowing down let along reversing direction. The outlook becomes grimmer by the week. For the period ending 9-30-2007...77 of the nations 100 largest metropolitan areas reported increases in delinquencies compared with the previous three months. According to the Center For Responsible Lending 7.2 Million households have Sub-prime mortgages and more than 14% of those are in default. The Center predicts one of every five loans issued in 2005 and 2006 will end in foreclosure with 2.2 Million families losing their homes.

More than 635,000 foreclosure filings were reported nationwide- 1 for every 196 households. Filings include everything from default notices, to auction sale notices, to actual bank repossessions. States in the Sun Belt and Rust Belt continued to dominate foreclosure filings. In the 3rd Quarter Nevada lead the nation with 1 for every 61 households. California was second with 1 for every 88 households. Florida had the next highest with 1 in 95. In the Rust Belt: Michigan lead with 1 in 102; Ohio 1 in 107; and Indiana 1 in 96.

Nationally, Realty Trac reports foreclosure filings were up 30% compared with the previous 3 months and nearly double from a year ago. In Boston, Massachusetts's filings soared 146% to 1 per 220 households. In Springfield, Mass. Filings increased 151% to 1 per 172 households. In the Providence, Rhode Island/ New Bedford, Massachusetts's area filings increased 295%. There are pockets of bright light where metro areas in N. Carolina and S. Carolina; Virginia; and Texas have avoided the foreclosure problem. Least affected were Greenville, S. Carolina with 1 foreclosure per 3,289 households; and McAllen, Texas that had 1 per 2185 households.
Foreclosures are expected to increase as ARMS written in 2004 and 2995 reset causing interest and principle to increase. A reset can make an affordable mortgage unfavorable for some borrowers. In October $50B of ARMS were reset.
As the housing slump deepens and delinquencies and foreclosures increase a liquidity squeeze has affected corporate mergers, acquisitions, and both short and long term-planned expansion.

Barclay's Bank, the largest bank in England, has taken a $2.7B Euro write-off on Sub-prime mortgage losses. Their stock fell 12% since 11-1-2007, and YTD is down 26%.

The Alan Greenspan orchestrated falling interest rate party not only was responsible for the Dot Com Bubble Bursting, but is responsible for the current Sub-prime mortgage crises. Greenspan as Chairman of the Federal Reserve [a Private Corporation with no connection to the US government] kept the Federal Fund Rate below 2% from 4th Quarter 2001 thru 2004-- far longer than necessary. The Fed chose to use low interest rates to encourage mortgage lending and Home Equity Loans thus stimulating the economy after 9/11.

The slump in housing prices began in late 2005 when years of rising property values began to slow before reversing in selected areas of the nation. Presently the year over decline in prices is the greatest in reported history, and unsold inventory is approaching 10 months. Wells Fargo Bank now reports we have the worse housing market since the Great Depression.

As stated last week- the Feds attempt to deal with the housing crises created by Alan Greenspan has been simplistic at best, and dangerous at the core. Each cut in key interest rates has a depreciating influence on the Dollar relative to other world currencies, and additional cuts will only exacerbate the fundamental underlying issues. Each cut in key interest rates will only serve to undermine and depreciate the Dollar relative to other currencies. The housing crisis represents a housing bubble or a collection of overpriced homes resulting from too many cheap Dollars chasing too few homes. A correct approach to the problem would be to increase the supply of homes available to qualified buyers while concurrently following a responsible monetary policy and taking steps to reduce our nation's debt. We do not exercise fiscal responsibility or plan for a balanced budget. We are a net Debtor nation living beyond our ability to stay current and pay our creditors- whether as individuals paying off personal credit debt, or as a nation able to pay interest and principal on outstanding Treasury securities.

In the Feds ill conceived and near-sighted attempt to resolve the Sub-prime mess by cutting key interest rates, the Dollar becomes less attractive to foreigners who can get higher returns in other currency markets. Potential investors will avoid US debt and go elsewhere seeking higher returns on their money. As investor concerns over a depreciating Dollar increase, not only will they avoid newly issued low interest debt securities, but will in many cases dump US Dollars onto the world markets by purchasing hard assets to get out of paper US Dollars.

Since the Fed is focusing on the mortgage crises the Dollar continues to fall to record levels against most currencies of the world. The long-term result for such egregious naivety is inflation at home, with the potential for hyperinflation or stagflation.

Accordingly, it would be wise to accumulate all Precious Metals including: Gold, Silver. Platinum, Palladium, and Numismatic Coins. Purchase on weakness by calling 1-800-375-4188.

From a week ago gold has dropped approx. $42. However the semi-numismatic coins have corrected only $10, $15 and $20. Premiums on Gold Eagle coins were directly affected with the Mint running out of inventories and coinciding with the change over of years from 2007 – 2008. The brisk climate of physical buying put a substantial strain on inventories. In addition to the increased premiums of Gold Eagles buyers substituted lesser premium coins like Krugerrands placing additional pressure on inventories only to have these premiums increase $10 in just one day.

Folks these are signs of product being swiftly depleted. This means there are more buyers than sellers equating higher and higher prices if you can get the coins!!

Don't doubt for one moment it will be business as usual. Every coin I have recommended has done exceedingly well as I find coins that are undervalued.
In the interim, buy Gold, Precious Metals, and Certified Numismatic Coins to protect your family, your assets, and your wealth for the difficult times ahead. In less than 30 years we have gone from the world's greatest creditor nation to the world's greatest debtor nation.

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A fellow subscriber is a coin dealer in Canada, Those of you who are Canadians and who buy coins might contact him:
Richard Oliver

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Esperanza Silver Corporation: San Luis' Initial Resource Estimate; Nearby Porphyry-Style Base-Metal Discovery

VANCOUVER, BRITISH COLUMBIA, Nov 15, 2007 (Marketwire via COMTEX News Network) -- Silver Standard Resources Inc. (NASDAQ:SSRI)(TSX:SSO) and Esperanza Silver Corporation (TSX VENTURE:EPZ)(PINK SHEETS:ESPZF) today reported that Silver Standard has delivered an initial resource estimate for the Ayelen

Vein on the companies' joint venture property in Peru. Ayelen is one of numerous veins found to date on the property.

In addition, the companies report the discovery of significant porphyry-style base metal mineralization six kilometers southeast of the Ayelen Vein.

November 2007
http://ir.silverstandard.com/releasedetail.cfm?ReleaseID=276146

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CANADA

Perimeter Financial, a small Toronto-based operator of alternative securities markets, will seek to circumvent the restructuring of Canada's asset backed commercial paper (ABVP) sector by setting up a market for paper issued by 22 frozen ABCP trusts. Shareholders are Goldman Sachs and several of Canada's biggest pension funds. This effort would circumvent the so-called Montreal accord, which aims to stabilize the ABCP market by converting outstanding securities into longer term floating notes.

The trusts have an estimated face value of $36.5 billion part of which are in US mortgage baked securities. Some holders have started writing down their investments by 15% when in reality they may end up writing off 70%.

September manufacturing shipments fell 0.9% versus August.

Vancouver's strong real estate market has attracted speculators who now account for 50% of the buyers. Second quarter sales fell 33% from the first quarter. Condo sales account for 60% of all sales in the area.

Asking prices for condos are falling and the unsold inventory in Burnaby and New Westminster rose to 825 units at the end of September from 315 units in early July. That is almost a tripling in three months.

During the first 10 months of the year, prices for townhomes rose 14% to $475,350 and condos rose to $381,600.

Not only is Royal Bank taking a $360 million loss, but Scotia Bank will take a $135 million writeoff as well, due mostly to US mortgage losses. Last week CIBC took a $463 million writedown on CDOs.

The Bank of Canada injected $1.57 billion into the overnight market Thursday, the biggest such injection since 2000, surpassing even the large infusion made during the credit crunch in August. This was done simultaneously as the Fed injected $47 billion in an effort to push the stock market higher.

From a fellow subscriber:

THE PROBLEM WITH OUR MONEY 5

By David Ealing

You are about to learn that everything you have ever learned from schools, your parents and your government on the subject of money is wrong. Your lesson begins:

Taxes do not finance the operation of Canada or the United States of America (USA). This is also true of most countries of the world. The government of both Canada and the USA gave control of their money to a private bank. The Federal Reserve and the Bank of Canada are both private banking corporations. Their names are meant to deceive.

See:http://members.shaw.ca/theultimatescam/The%20Bank%20of%20Canada.htm.
By the early 1930's both Canada and the USA were driven into bankruptcy. Like any company suffering bankruptcy these countries were placed in receivership. Since the early 1930's the International Monetary Fund (IMF) has controlled the finances of both countries. And since then the financial operations of both countries begin with these steps.
http://www.terracedaily.ca/cgi-bin/show_articles.cgi?TOPIC=0&ID=1499&ISTART=undefined&NSHOW=undefined&S=undefined

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THE PROBLEM WITH OUR MONEY 6
By David Ealing
PROPOSAL

I am fairly new at learning about all the deception that has been implemented by our governments at the request, or better, demand of the International Monetary Fund. Coming to some conclusion as to how best to proceed from here has been a difficult chore. I once felt that the best way to continue was just to remove oneself from the shackles of the artificial corporation that has been set up in my name. I felt that once that was done one could demonstrate that living free outside the box was a realistic goal to strive for. That I still believe is a desired goal.

http://www.terracedaily.ca/cgi-bin/show_articles.cgi?TOPIC=13&ID=1581&ISTART=0&NSHOW=30&S=1

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EUROPE

Czech October PPI was +4.4% versus September and +4% yoy.

Czech October industrial PPI was up 4.4% yoy.

Preliminary French 3rd quarter GDP was +0.7%.

Spanish October CPI rose 3.6% yoy and up 1.3% mom.

Finnish October CPI rose 0.3% from September, up 2.7% yoy.

European October new car registrations were up 5.5% yoy.

German 3rd quarter preliminary GDP growth was 0.7% versus 0.3% in the 2nd quarter.

Dutch 3rd quarter retail sales were up 2.5% yoy and September sales were up 1.1%.

Hungarian GDP growth slowed to 1% in the 3rd quarter, an 11-year low.

Australian 3rd quarter GDP was +0.8% on the quarter and +3.4% yoy.

French 3rd quarter GDP rose .07% in the fastest growth since the 2nd quarter of 2006.

Eurozone growth recovered in the 3rd quarter to +0.7% versus the 2nd quarter.

Greek 3rd quarter GDP growth was up 3.6%, but down from 4.1% in the 2nd quarter.

Polish October inflation jumped to 3% as M3 money supply rises 0.7% mom and 15.2% yoy.

The French September current account deficit was 2.3 billion euros versus 1.7 billion in August.

Italy’s final October CPI was up 0.3 versus September and up 2.1% yoy.

German CPI rose 2.4% yoy in October.

Swedish October unemployment was 5.7% versus 6% in September.

Slovak October HICP was up 2.4% versus September and 1.7% yoy.

The Bank of France sees GDP growth of 0.6% in the 4th quarter.

Russian central bank reserves on 11/9 were $455.2 billion versus $447.9 billion on 11/2.

Austrian October CPI was up 0.6% mom and 2.8% yoy.

Hungarian September Industrial output was up 0.2% mom and 8.7% yoy.

Dutch August-October unemployment was 4% versus 5.2% yoy.

The Dutch September trade surplus was 3.9 billion euros up 6 billion yoy.

Spain's current account deficit rose to 6.734 billion euros from 6.438 billion.

German October tax revenue rose 5.5% yoy.

Norway's October trade deficit ex-oil was 17.77 billion NKR versus 9.19 billion in September.

The Switzerland Zew survey declined by 12.9 points to -28.9 in November.

The EU consumer price index improved to 0.5% in October and was up 2.6% on the month.

The German DIW Institute sees 4th quarter GDP growth at 0.6% and 2007 upped to 2.7%.

Greek August unemployment was 7.6% versus 7.8% in July.

Portugal's October CPI was up 0.5% versus September and was up 2.6% yoy.

Estonian 3rd quarter unemployment fell to 4.2% from 5.4% yoy.

Poland's 10-month budget deficit was at 14.8%.

Irish 3rd quarter unemployment eased to 4.4%.

Russia may deploy its newest Iskander tactical missiles in neighboring Belarus in response to US and European plans for a missile shield in Eastern Europe. Every action produces a reaction.

Fresh back from his trip to Washington where he dictated to the US Congress in behalf of European Illuminists, and Zionists, Nicolas Sarkozy was greeted by strikes that shut down French trains and buses. Employees at electric and gas companies also walked off their jobs. Next come civil servants, teachers, postal and telecommunication's workers, bank employees and judicial magistrates. Labor is shutting the country down due to changes Sarkozy is determined to make in order to enrich the rich even more. The French deserve Sarkozy. They elected him.

Bankers and investors in Europe's leveraged, or high yield loan market do not expect to see a significant recovery from the summer's liquidity crunch until the middle of next year at the very earliest, which bears out our forecast of at least two years.

The banks who underwrote the most aggressively structured deals for their private equity clients will probably get stuck with them through the evolving recession, unless they are prepared to seriously adjust the prices they will accept for them.

These downbeat messages were repeated a number of times at a packed industry conference in London, organized by the European High-yield Association, the leading trade body.

The funding for private equity deals still has a $350 billion backlog of underwritten debt to clear before banks can start writing significant amounts of new business. In Europe most banks and investors won't touch new debt whereas in the US there are a number of vulture funds at work. It is not just selling de-rated debt; it is the losses that occur. Some companies are not going to survive.

Inflation in Europe accelerated in October to the fastest in two years, rising in the 13-member Eurozone to 2.6% up from 2.1% the prior month. This is the official rate of inflation. We fix it at 5% to 6%.

The French Constitutional Council that included former presidents Jacques Chirac and Valéry Giscard d'Estaing has approved immigration legislation that has provoked an angry debate about using DNA testing for some foreigners who hope to join relatives in France. They rejected a provision that would have allowed statistics to be collected on the ethnic origins of citizens because it was unconstitutional.

The Belgian Treasury has promised no default. Mounting concern that Belgium could break apart after 157 days without a government has begun to hit the country's sovereign bonds, causing spreads to suddenly widen to the highest levels in five years. The Flemish majority may break away to form its own state.

Italy's September current account deficit was 3.451 billion euros versus a deficit of 5.071 billion yoy.

Slovenian September unemployment fell to 7.2% from 7.4% in August.

Polish October average wages were up 11% from September and 9.8% yoy.

Portugal's 3rd quarter unemployment rate was 7.9% versus 7.4% yoy.

Swiss September retail sales rose 3% yoy as overall sales increased 7.1% yoy.

Hungary's September gross wages were up 8.6% yoy, up from 7.8% in August.

Finnish October PPI was up 0.7% from September and up 1.7% yoy.

German Chancellor Angela Merkel and French President Nicolas Sarkozy agreed yesterday to pursue sanctions and diplomacy to deal with Tehran's nuclear program and stop it from producing nuclear weapons.

ENGLAND

Three months to September average earnings were +4.1% versus 3.7% in August.

The October ILO unemployment rate was unchanged at 5.4%.

The Daily Mail tells us travelers face price hikes and confusion after the government unveiled plans to take up to 53 pieces of information from anyone entering or leaving Britain. They will want credit and debit card details, holiday contact numbers, travel plans, email address, car numbers and even any previous missed flights. The information taken when a ticket is bought will be shared among police, customs immigration and security services for at least 24 hours prior to a journey is due to take place.

Anybody about whom authorities are dubious can be turned away when they arrive at the airport or station with their baggage. There is no explanation – just arbitrary police state control of your life. Those with outstanding court fines, such as a speeding penalty, could also be banned from leaving the country, even if they pose no security risk. This e-borders scheme will cost the taxpayers at least $2.4 billion over the next decade. It will cost travel companies $40 million a year to compile the information and that cost will be passed on to the traveler.

Critics have warned of mayhem at ports and airports when the system is introduced, beginning in mid-2009. By 2014 every one of the predicted 305 million passenger journeys in and out of the UK will be logged, with details stored about the passenger on every trip.

The scheme will apply to every way of leaving the country, whether by ferry, plane, or small aircraft. It would apply to a family having a day out in France by

Eurotunnel, and even to a yachtsman leaving British waters during the day and returning to shore. This is a lifelong dossier. Something a KGB or Gestapo would compile.

The Home Office says e-borders will help keep out terrorists and illegal aliens out of the country. This has little to do with that and everything to do with tracking your every move for the rest of your life. This is just the beginning of a total police state.

The costs are staggering and Brits get to pay for it. This is a stealth tax on travel to pay for the scheme. What about all the errors that will be in the system, and the years you will spend trying to clear yourself with no cooperation from the government – a true nightmare.

We are hearing rumors that Alliance and Leicester are in trouble. We'll let you know if we hear anything.

The Bank of England indicates that it is poised to cut interest rates as many as three times in an effort to ease the pain of the credit crunch. This will drive the pound down versus the dollar and gold and totally screw British investments. Inflation will move from our estimated of 5-6% to over 10%.

Retail sales fell for the first time in nine months, down 0.1% in October.

LATIN AMERICA

Venezuelan President Hugo Chavez Frias has demanded that Spain's king Juan Carlos apologizes for telling him to shut up, warning that Spanish investments could suffer in its former colony because of the king's arrogance and rudeness. Mr. Chavez is correct. The king was wrong. If you think about it maybe Juan Carlos is just dumb. Someone should remind him Latin America is no longer a colony.

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During Bush's two terms, Chavez' presidency has symbolized USA's decline

http://www.vheadline.com/readnews.asp?id=76904

First Post UK (Alexander Cockburn): Can Venezuela's elite and the CIA contain their fury over Chavez? Amid daily prophecies that Bush will order an attack on Iran, there's demure silence in the US about the fact that Venezuela and its President Hugo Chavez are facing their most serious crisis since Chavez nearly lost power and his life in the military coup of 2002.

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ASIA

Singapore's September retail sales rose 6.5%, up 3.7% in August.
Indonesia's 3rd quarter GDP is seen up 6.5% yoy.
Thailand's auto sales rose 12.6% in October.
Philippine overseas workers' remittances rose 12.4% in September.
Philippine banks September lending growth was 6.2% yoy after 7.1% in August.

CHINA

October retail sales rose 18.1% yoy.
October property prices in 70 cities rose 9.5% yoy.
January-October industrial value added output was up 18.5% yoy.

October industrial output was +17.9% yoy.

October wholesale prices rose 6.5% yoy versus 6.2% in September.

Hong Kong's 3rd quarter GDP was up 6.2% yoy.

January-October urban fixed asset investment is up 26.9%.

The trade surplus rose to a record $27.05 billion in October, adding fuel to the obvious that the yuan is way undervalued. The increase was up 13.5% you. $15.4 billion of that surplus was with the US and $13.9 billion with Europe.

JAPAN

The September tertiary index was down 1.6% from August.

Tokyo condo sales fell 9.1% in October and Osaka's sales fell 14.8%.

AUSTRALIA AND NEW ZEALAND

The consumer sentiment index was -4.2% in November versus October.

The 3rd quarter wage index was +1.0%.

New Zealand's 3rd quarter PPI (wholesale sales) rose 2.3% from the 2nd quarter.

New Zealand's 3rd quarter retail sales rose 0.2% from the 2nd quarter.

HEALTH

QUICKSILVER

The average person would have to be age 40 to know what the term quicksilver means. One person thought it was the name of the Lone Ranger's horse. Well, for the Generation X I guess that's close enough. Besides, if you were treated with quicksilver you'd feel like you were run over by a horse. Getting down to the silver bullets of the matter, quicksilver is another name for mercury treatment. Quicksilver was used not only a few hundred years ago and in the ancient world of Babylon but unfortunately also in modern times.

WHERE IN THE WORLD…

Who thinks up the weird treatments humanity has experienced throughout the ages? Well if we want to trace the origins of quicksilver treatment we have to go way back to 600 AD. You will recall in one of my previous articles that the Arabs were the first to introduce clinical medicine and the first drug stores in the 9th century. Prior to that, the Arabs were busy perfecting alchemy from their Babylonian roots. The Arabs introduced alchemy (a composition of chemistry and a strange philosophy) to Europe with the promise of penetrating the very deepest secrets of nature. What they actually dug up was Pandora's Box. The truth beneath the alchemist's veil is spiritual. Yes, they did dabble with chemicals and metals in their profession; however it doesn't take much to notice that in simple terms alchemy used a twisted philosophy. They actually believed that wisdom was locked inside a stone and thus the term "philosopher's stone." They also claimed to make gold out of a common metal elements. Before the average person could shout "giddy-up Silver away," by the 13th century there was a heady new science in Europe run mostly by Arabs. With 600 years of chemical techniques behind them, the Arab alchemists were considered light years ahead of their European counterparts. Arab alchemists were able to influence medicine using metal compounds, which were easily assimilated by the body -a.k.a. quicksilver (mercury).

PRODUCT OF ALCHEMY

It is a big surprise to many that our modern medical system practices alchemy every day. I interviewed Rebecca Carley, M.D. on my radio show Herb Talk and we touched on alchemy. Dr. Carley said alchemy was not practiced anymore to which I disagreed. What do you call mercury in vaccines, chemotherapy and radioactive isotopes injected into patients for x-ray studies? Dr. Carley hadn't thought of it that way and she was taken back a bit. To Dr. Carley's credit, she does not practice conventional medicine and prefers to teach people how to stay healthy with natural foods, herbs and homeopathic therapies.

RASASSIDI

The Hindu's call alchemy rasassidi (knowledge of mercury). Exposure to mercury either once or repeatedly can produce the following health risks; chronic cough, chest tightness, difficulty breathing, fatal pneumonia, upset stomach, nausea, vomiting, diarrhea, kidney damage, mood swings, hallucinations, memory loss, cognitive dysfunction, apathy, rash, itching, allergies, birth defects, vision problems and death. I can't help but notice the correlation of mercury vaccines and the increased rate of the following health problems; ADD, autism, Alzheimer's, depression, obsessive compulsive disorder, various behavior problems (especially anger and rage), cataracts and eczema.

WHY MERCURY?

Of all the metal elements, why did the Arabs prefer mercury? Other than it was easily absorbed by the human body, why mercury? Again we go back to the twisted philosophy where the alchemist held mercury in high esteem because it was considered a mysterious metal. OK. This suggests that the alchemist didn't know enough about mercury. The alchemist was fascinated with mercury's ability to be simultaneously light and heavy in weight; it was responsive to temperature change and was silvery to the eye. Hundred's of years earlier, the ancient Romans, Dioscorides and Galen all banned mercury from medical treatment by 200 AD.

SOUND REASONING?

The Arabs argued that other potent poisons were beneficial if prepared and administered correctly. Most of you will probably think of snake venom as an antidote. In the ancient world it was poisonous plant compounds which were used and mineral compounds were being investigated. History records the Arab alchemists franticly experimenting with mercury on apes. After many animal trials the Arabs did not want to give up on mercury as a treatment so they came up with the idea to use it topically in ointments to treat scabies, lice and dermatitis. This lead to surgeons using mercury ointments believing it to be harmless since it was not inhaled or taken inside the body. What they discovered was that mercury causes great destruction to mucous membranes. To make mercury ointments the mercury goes through a process, which creates friction (heat) and the mercury becomes more easily absorbed into the bloodstream creating a toxic chain reaction. One application of mercury ointment did have some success. Used on callous syphilis sores mercury ointment worked because mercury salts kill bacteria (that's why mercury was used as a preservative in vaccines loaded with bacteria). Many European physicians jumped on this treatment to become specialists because people did not want to go to their regular family doctor with a STD. So, what modern treatments do we have today with very little honest testing, which are in specialized fields that will be revealed later as very risky indeed? How about Botox (injection of botulinum toxin A)?

Hi HO SILVER AWAY!

If you don't like pharmaceutical drugs, surgery or modern alchemy you have options. Invite disease to leave your body using the simple principal of cleanse and nourish because disease lives on waste products and a weak immune system. Get rid of the waste and strengthen the immune system and you'll be amazed that you can do what modern medicine can't. I use God's good herbs to rid the body of waste by doing the system organ cleanses; bowel cleanse, urinary tract cleanse, liver/gall bladder cleanse, and blood cleanse (last). I also boost the natural immune system to kill bacterial and viral infections fast. To find out more, log onto http://www.thepowerherbs.com (Apothecary Herbs) and click on "Organ Cleansing" on the left side of the home page. Look for immune boosting formulas there as well or call toll free for a product catalog or to order 866-229-3663, International 704-875-8010.

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WENDY WILSON'S HERB TALK LIVE RADIO SHOW & ARCHIVES - Herb Talk Live is Internet streamed on www.gcnlive.com every Saturday 7-8:00 a.m. EST. Weekly short-wave; Thursday 3:00 p.m. & 4:00 p.m. rebroadcasts at 11:00 p.m. on WBCQ 7.415. American Voice Radio (pod cast, DSL, satellite) Tuesday & Thursday 7:00-8:00

p.m. EST. Radio show archives at http://www.thepowerherbs.com. Be well – Herbalist, Wendy Wilson

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NEXT ISSUE
WEDNESDAY, NOVEMBER 21, 2007 (110707(6)_IF

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From a fellow subscriber:

Either the banks are at a point where they are the greatest buying opportunity in years based on both the NASDAQ Composite Bullish Percent Index as compared to the NASDAQ Composite Index and the S&P Financial Sector Bullish Percent Index as compared to the XLF, or this is a trap (my view). Technicians, by definition, look at technicals (i.e., security analysis). This camp largely fails to realize how, when markets are manipulated, technicals become less relevant. Not all but most fail to recognize that stock price movements are based on fundamentals, technicals, and mass psychology. Individual psychology also plays a part in whether an investor is successful or not, but an individual's actions will, in most all cases, have no impact on a stock's price.

In the case of banks, there has been nothing like the sub-prime slime. This toxic waste has barely reared its ugly head, and now the Wall Street crowd, who has the attention span of a minnow, is ready to move on. The sub-prime mess wasn't created in a day and won't be resolved in such a time horizon. The write-downs are massive. Who really knows whether or not they have been written down sufficiently at this point? Most of this paper has no bid, so how can an accurate price be ascribed to it? Further, as interest rates rise, which they will in the not too distant future contrary again to what is being stated by the media and Wall Street crowd, there will be more resets, and those resets will be at even greater differentials than they otherwise would have been had rates not risen. Without interest rate increases, the U.S. dollar will plummet into oblivion. Foreigners are not only not buying U.S. treasuries and other paper of questionable worth, but they are beginning to sell what they already have. On that note, the Net Foreign Purchases number for September comes out tomorrow. It was disastrous last month though not a whimper about it was heard from our self-aggrandizing Wall Street brokers or the meatheads dispensing so called financial news.

In regards to Goldman Sachs, I have no confidence in the transparency of their financials. I suspect there is a lot of off balance sheet maneuverings going on. Whether they get called out by the paid off regulators is dubious at best. Keep in mind the SIVs (Structured Investment Vehicles) are nothing more than repackaged toxicity with a new shiny ribbon on the package. It's amazing how many "experts" are fools. A sucker is born every day; suckers also graduate with honors from America's prestigious universities.

Keep in mind as I have stated before, resets will occur annually until an interest rate ceiling is reached in the mortgage contract of each borrower who took out an adjustable rate loan. We are talking about trillions of dollars of resets for at least each of the next three years. Then, property values are falling. Massive layoffs have been announced. Foreclosures have and will continue to reach dizzying levels.

Foreclosures mean home prices will continue to edge lower and lower or downright plummet as more supply comes to market with less and less demand for that supply. As home prices fall below what is owed on a mortgage, people may just walk away. Many people without scruples will ponder, "Why pay for something that is worth less than what remains owed?" If one wants to sell his/her home, one may be having to come up with a big payment to the bank in order to sell the home; this is the antithesis of getting money back at closing based on appreciation in one's home.

Now, most people have been using their homes for the past ten years or more as ATMs. As home prices rose, homeowners refinanced and took equity out of their homes. This "found" money provided the masses with a false sense of security, and they spent this "unearned" money to sustain their unjustified standard of living and/or make speculative investments. As a result, the economy appeared to be doing well as the consumer kept spending. Just where is the consumer going to "find" new money now to keep the economy ebbing along? The banks were greedy. Those who should never have owned a home and certainly not a bigger home were greedy. When credit is easily available, it is misallocated. It is payback time, and everyone wants to think the problem is gone, the nightmare is over, and one can go back to profligate ways. Life is not a fairy tale. The nightmare has barely begun.

Now, nothing goes straight up or straight down. Hence, it is entirely possibly that financial stocks will rise in the near term. This is referred to by some as a dead cat bounce. There will, at some point, be a legitimate buying opportunity; however, I personally believe it is premature to speculate on that. Sometimes it is better to forego the first twenty per cent rise in an asset class. Similarly, it is prudent to forego the last twenty per cent. Of course, it is only after the fact one truly knows whether one just took the meaty sixty per cent. Therein lies the rub. Investing is not easy, and there are no guarantees. One must look to percentages of being correct, then accept whatever one gets as that is all one is going to get anyway.

If I take a position one way or the other concerning the financials in the near term, it will be a puny position at best. Investing should not be akin to gambling. Sure, everyone who invests including me has some play money, but guarantee of return of principal is more important than a rate of return. If you lose your principal, you are out of the game. High probabilities of success may not guarantee success in investing, but they certainly improve the odds.

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Thanksgiving Hypocrisy

http://www.globalresearch.ca/index.php?context=va&aid=7335

by Stephen Lendman
Global Research, November 16, 2007

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IS CHINA BLACKMAILING AMERICA?

http://www.newswithviews.com/Ryter/jon200.htm

By Jon Christian Ryter
November 14, 2007
NewsWithViews.com

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Sound Money

by Ron Paul
http://www.lewrockwell.com/paul/paul421.html

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Sanctuary Cities as of 11-11-07
http://www.ojjpac.org/sanctuary.asp

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Ron Paul collecting fans, big money

By CHARLES BABINGTON, Associated Press Writer

Thu Nov 15, 6:04 AM ET

http://news.yahoo.com/s/ap/20071115/ap_po/ron_paul;_ylt=AsW6zUr9FPuyycGmijg.G1ms0NUE

WASHINGTON - Those who dismissed Rep. Ron Paul as a joke in the Republican presidential primary campaign aren't laughing so hard these days.

The Texas libertarian's rise in the polls and in fundraising proves that a small but passionate number of Americans can be drawn to an advocate of unorthodox proposals such as returning to the gold standard and abolishing the income tax, CIA and Federal Reserve.

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Why Are They So
Afraid of Ron Paul?
Neocons and sectarian leftists unite to smear the antiwar Republican
by Justin Raimondo
http://antiwar.com/justin/?articleid=11905

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The Crash of 2008?
Posted: November 15, 2007
7:55 p.m. Eastern
Patrick J. Buchanan

http://worldnetdaily.com/news/article.asp?ARTICLE_ID=58726

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WND AT THE WHITE HOUSE

Bush support for sea treaty affirmed

'I understand there are concerns. We believe those have been addressed'

http://worldnetdaily.com/news/article.asp?ARTICLE_ID=58721

Posted: November 16, 2007

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Ron Paul's Long Coat-Tails

By Gary North

Recently, an article on this site, "Ron Paul's Long Tail," discussed the shift in marketing that is taking place because of the Internet.

In the past, Pareto's 20/80 law has dominated marketing. About 20% of your sales will produce 80% of your profits. Negatively, 20% of your customers will produce 80% of your complaints.

This ratio has been known for years. It has not been explained in over a century, but wise marketers do not ignore the law.

A new phenomenon – long tail/Remnant/spontaneous order – has appeared as a result of the Internet's cost structure. Amazon makes most of its money from lots of low-selling individual books rather than best-sellers. The 20/80 law no longer universally applies.

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